BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2006-303-C - ORDER NO. 2007-42

JANUARY 19, 2007

IN RE: Application of PNG Communications, Inc. ORDER GRANTING) d/b/a PowerNet Global Communications d/b/a **EXPEDITED REVIEW**) CrossConnect for a Certificate of Public AND APPROVING Convenience and Necessity to Provide **CERTIFICATE OF PC&N** Facilities Based Local Exchange TO PROVIDE LOCAL Telecommunications Services and for **SERVICES AND** Flexible Regulation of its Local Exchange APPROVING FLEXIBLE Services and Alternative Regulation of its **REGULATION AND**) Interexchange Services **ALTERNATIVE** REGULATION

This matter comes before the Public Service Commission of South Carolina ("Commission") upon the Application filed by PNG Communications, Inc. d/b/a PowerNet Global Communications d/b/a CrossConnect (PNG or the Company) seeking a Certificate of Public Convenience and Necessity ("Certificate of PC&N") to provide local exchange to customers located throughout the State of South Carolina and requesting flexible regulation of those local exchange service offerings in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C, and alternative regulation of its interexchange services. PNG's Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2005) and the rules and regulations of the Commission. Order No. 96-675 authorized PNG to offer intrastate, interexchange telecommunications services to customers throughout the State. On May 23, 2002, the Commission issued Order No. 2002-393 which approved an

amendment to the company's authority to allow it to conduct business in South Carolina as PowerNet Global Communications. On July 22, 2005, the Commission issued Order No. 2005-402 in which PNG was granted the authority to use CrossConnect as a trade name in South Carolina.

By letter, the Commission's Docketing Department instructed PNG to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. PNG complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. Subsequently, the South Carolina Telephone Coalition (SCTC) filed a Petition to Intervene. However, SCTC and PNG reached a Stipulation, which is attached hereto as Order Exhibit 1.

The Office of Regulatory Staff (ORS) requested that PNG make certain revisions to its proposed tariff which PNG agreed to make, and which are attached hereto as Order Exhibit 2. ORS has indicated that it does not oppose the application and has consented to the Motion for Expedited Review herein. No other Protests or Petitions to Intervene have been filed.

On January 2, 2007, PNG filed a Motion for Expedited Review by which PNG seeks to have its Application reviewed and approved without the necessity of a hearing. Along with the Motion for Expedited Review, PNG filed the verified testimony of Dennis Packer, General Counsel and Secretary of the Company. Since PNG already possesses

some authority from this Commission and has continued to keep in contact with this Commission over the last several years, the Commission finds good cause to waive the hearing in this matter and to proceed with disposition of PNG's Application on the record consisting of the Application and Mr. Packer's verified testimony.

By its Application and the verified testimony of Mr. Packer, PNG is requesting authority to provide competitive local exchange services and access services.

According to Mr. Packer, PNG possesses sufficient technical and managerial resources to provide the services for which it requests authority. As to financial resources, Mr. Packer testified that PNG is financially sound, and is, in fact, cash flow positive.

Mr. Packer offers that the public interest will be served by the granting of PNG's request for a Certificate of PC&N to provide local telecommunications service and exchange services. According to Mr. Packer, PNG's entry into the local market will enhance competition in the State of South Carolina by offering additional service offerings and high quality service to South Carolina's consumers. The record also shows PNG's position that PNG's entry into South Carolina's local service market will also provide an efficient use of existing telecommunications resources. Mr. Packer also committed that PNG will meet all service standards that the Commission may adopt and that the provision of service by PNG will not adversely impact the availability of affordable local exchange service in South Carolina. Further, Mr. Packer stated that PNG will actively participate in the support of universally available telecommunications services at affordable rates.

Also, Mr. Packer reiterated PNG's request that PNG's local service offerings, if approved, be afforded flexible regulation in accordance with the principles and procedures set forth in Order No. 98-165 in Docket No. 97-467-C. Specifically, PNG's request is that the Commission adopt for PNG a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. In addition and also in compliance with Order No. 98-165, PNG requests that its tariff filings be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filings, in which case such tariff filings would be suspended pending further order of the Commission, and that any tariff filing will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Further, PNG through Mr. Packer requests that all of the Company's long distance business services be regulated pursuant to the procedures described and set out in Docket No. 95-661-C and as modified by Order No. 2001-997-C in Docket No. 2000-407-C. It is the Applicant's intent by this request to have these services regulated in the same manner as this Commission has permitted for by AT&T of the Southern States. Specifically, the Company requests: (1) removal of maximum rate tariff requirements for its business services, consumer card, operator service, and future private line and customer network-type offerings; (2) that tariff filings for these uncapped offerings are presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven days, the tariff filing will be suspended until further order of the Commission; and (3) any relaxation in the reporting requirements that may be adopted for AT&T shall apply to

PNG also. In addition, PNG recognizes the modification to alternative regulation found in Order No. 2001-997.

Lastly, PNG seeks waiver of the use of the Uniform System of Accounts (USOA) for its books, and of Commission Regulations 26 S.C. Code Ann. Regs. 103-610 (1976) and 103-631 (1976 and Supp. 2006).

After full consideration of the applicable law, PNG's Application, and the verified testimony of Mr. Packer, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

- 1. PNG is presently a provider of interexchange telecommunications services within South Carolina and desires to expand its service offerings to include local exchange telecommunications services which PNG will provide in South Carolina.
- 2. The Commission finds that PNG has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2006).
- 3. The Commission finds that PNG's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2006).
- 5. The Commission finds that PNG will participate in the support of universally available telephone service at affordable rates to the extent that PNG may be required to do so by the Commission. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2006).

- 6. The Commission finds that PNG will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2006).
- 7. The Commission finds that approval of PNG's Application to provide local exchange services within South Carolina will serve the public interest by enhancing competition in the State of South Carolina by offering additional service offerings to South Carolina's consumers and by providing for efficient use of existing telecommunications resources.
- 8. The Commission finds that the provision of local exchange service by PNG "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2006).
- 9. The Commission finds that the issuance of the authority to provide local exchange services as requested by PNG, and as set forth in its Application, is in the best interests of the citizens of the State of South Carolina.

CONCLUSIONS OF LAW

- 1. The Commission concludes that PNG possesses the managerial, technical, and financial resources to provide the competitive local exchange telecommunications services as described in its Application.
- 2. The Commission concludes that PNG's "provision of service will not adversely impact the availability of affordable local exchange service."

- 3. The Commission concludes that PNG will participate in the support of universally available telephone service at affordable rates to the extent that PNG may be required to do so by the Commission.
- 4. The Commission concludes that PNG will provide services which will meet the service standards of the Commission.
- 5. The Commission concludes that approval of PNG's Application to provide local exchange telecommunications services within South Carolina will serve the public interest by enhancing competition in the State of South Carolina by offering additional service offerings to South Carolina's consumers and by providing for efficient use of existing telecommunications resources.
- 6. The Commission concludes that the provision of local exchange service by PNG does not, and will not otherwise adversely impact the public interest.
- 7. The Commission concludes that the issuance of the authority to provide local telecommunications services as requested by PNG, and as set forth in its Application, is in the best interests of the citizens of the State of South Carolina.
- 8. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to PNG to provide competitive intrastate local exchange telecommunications services, including local exchange, exchange access service, and ancillary services, to customers located within the State of South Carolina, as limited by the Stipulation with the South Carolina Telephone Coalition. The terms of that Stipulation are approved. Further, the tariff revisions which are the subject of the agreement between the Company and ORS are also approved.

- 9. The Commission concludes that PNG's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. The Commission has previously granted this "flexible regulation" to competitive local exchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires for the Commission to allow this flexible regulation to those carriers which request it. Specifically under flexible regulation, the Commission adopts for PNG's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, PNG's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.
- 10. The Commission concludes that PNG's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive

marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing subject to a request to investigate being filed within seven days of any tariff filing. If a particular tariff filing request to investigate is made within the seven days, the tariff filing will then be suspended until further Order of the Commission.

11. We conclude that the request for waiver of 26 S.C. Code Ann. Regs. 103-610 and 103-631 should be granted as strict compliance with the regulation would potentially cause undue hardship on the Company. We also grant exemption from the policies requiring the use of the Uniform System of Accounts.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

- 1. A Certificate of Public Convenience and Necessity is granted to PNG to provide competitive intrastate local exchange telecommunications services, including local exchange, exchange access service, and ancillary services, to customers located within the State of South Carolina, as limited by the terms of the Stipulation between the Company and ORS.
- 2. PNG's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically under flexible regulation, the Commission adopts for PNG's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, PNG's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers tariff filing will then be suspended until further Order of the Commission.
- 3. The Commission concludes that PNG's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in

Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider.

Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat perminute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to PNG also.

- 4. PNG shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming and comporting with South Carolina law in all matters, and with the revisions which were the subject of the agreement between the Company and ORS.
- 5. PNG shall, in compliance with the Commission's regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, PNG shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

PNG shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. PNG shall utilize the "Authorized Utility Representative Information" form which can be located at the Commission's website at www.psc.state.sc.us/forms.asp to file the names of these representatives with the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

- 6. PNG shall conduct its business in compliance with the Commission's decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.
- 7. With regard to the origination and termination of toll calls within the same LATA, Managed Services shall comply with the terms of Order No. 93-462, Order

Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Managed Services shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

- 8. PNG is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.
- 9. PNG shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipts reports will necessitate the filing of intrastate information. Therefore, PNG shall keep financial records on an intrastate basis for South Carolina in order to comply with the Commission's requirements of filing an annual report and a gross receipts report. The proper form for filing annual financial information for the annual report may be found on the Commission's website at www.psc.state.sc.us/forms.asp or at ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." PNG shall file the annual report form with the Commission by April 1st of each year.

Commission gross receipts forms are due to be filed with the Commission no later than August 31st of each year. The appropriate form for remitting information for gross

receipts is entitled "Gross Receipts Form" and may be found at the ORS website at www.regulatorystaff.sc.gov.

Additionally, pursuant to the Commission's regulations, the Company shall file a "CLEC Service Quality Quarterly Report" with the Commission. The proper form for this report may be found on the Commission's website at www.psc.state.sc.us/forms.asp. These "CLEC Service Quality Quarterly Reports" are required to be filed within 30 days of the end of each calendar quarter.

- 10. Annually, PNG shall file the "South Carolina Universal Service Fund Contribution Worksheet" as required by the Commission. Such filing is presently due by **August 15th**, regardless of whether a company reports its operations on a calendar year or fiscal year. This worksheet may found at the ORS website at www.regulatorystaff.sc.gov.
- 11. In its provision of telecommunications services to the public, PNG shall utilize its own facilities, or if PNG utilizes services or facilities, through resale, lease, or other means, of other companies, PNG shall utilize the facilities or services of only companies authorized to provide telecommunications services in South Carolina by this Commission.
- 12. PNG is required to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911" system or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission

hereby instructs Managed Services to contact the appropriate authorities regarding 911

service in the counties and cities where the Company will be operating, should the

Company become interconnected to the public switched telephone network. Contact with

the appropriate 911 service authorities is to be made before beginning local telephone

service in South Carolina. Accompanying this Order is a memo from the State 911 Office

of the Office of Research & Statistics of the South Carolina Budget and Control Board.

This memo provides information about contacting County 911 Coordinators. By this

Order and prior to providing local telephone services in South Carolina, PNG shall

contact the 911 coordinator in each county (and city where the city has its own 911

system) and shall provide information regarding the Company's operations as required by

the 911 system.

13. 26 S.C. Code Ann. Regs. 103-610 and 103-631 are hereby waived, as are

the provisions related to keeping Company books by the USOA.

14. This Order shall remain in full force and effect until further Order of the

Commission.

BY ORDER OF THE COMMISSION:

G. O'Neal Hamilton, Chairman

ATTEST:

C. Robert Moseley, Vice Chairman

(SEAL)

Docket No. 2006-303-C Order No. 2007-42 January 19, 2007

BEFORE

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

	Docket No. 2006-303-C	€2 €2 €3		
Re:	Application of PNG Communications, Inc. d/b/a PowerNet Global Communications d/b/a CrossConnect for a Certificate of Public Convenience and Necessity to Provide Facilities-based Local Exchange Services in the State of South Carolina)	STIPULATION	H 19 5	

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and PNG Communications, Inc. d/b/a PowerNet Global Communications d/b/a CrossConnect ("PNG Communications") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose PNG Communications' Application. SCTC and PNG Communications stipulate and agree as follows:

- 1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to PNG Communications, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
- 2. PNG Communications stipulates and agrees that any Certificate which may be granted will authorize PNG Communications to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
- 3. PNG Communications stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

- 4. PNG Communications stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until PNG Communications provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, PNG Communications acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.
- 5. PNG Communications stipulates and agrees that, if PNG Communications gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then PNG Communications will not provide service to any customer located within the service area in question without prior and further Commission approval.
- 6. PNG Communications acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.
- 7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and PNG Communications, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

Order No. 2007-42 fanuary 19, 2007

- PNG Communications agrees to abide by all State and Federal laws and to 8. participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.
- PNG Communications hereby amends its application and its prefiled 9. testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 17 day of November, 2006.

PNG Communications, Inc.

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Attorneys for the South Carolina Telephone Coalition

Docket No. 2006-303-C Order No. 2007-42 January 19, 2007

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Ft. Mill Telephone Company

Home Telephone Company, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company

Order No. 2007-42 January 19, 2007

EXHIBIT 2

PNG Telecommunications, Inc. d/b/a PowerNet Global Communications

Docket No. 2006-303-C Tariff Changes

Section 2 - Definitions - Original Page Nos. 7 through 12

PNG will add "ORS" for the South Carolina Office of Regulatory Staff and provide definitions for "Noncompetitive Tariffed Services" and "Competitive Services".

3.6 – Liability of the Company / 3.6.3 – Indemnification 3.6.3 (I) – Original Page No. 23 - Errors in Billing:

The language shall be modified as follows:

In the event of Company billing errors that result in overpayment by the Customer, the Company will comply with R.103-623, 103-623.1 and 103-623.2 of Commission Rules and Regulations. The refund provisions will be contingent upon the circumstances of the overbilling defined by the above-referenced Rules and Regulations.

3.18 - Deposits /3.18.1 - General 3.18.1 (C) - Original Page No. 34

The language shall be modified as follows

- C. Company will pay simple interest on deposits at the rate as prescribed by the Commission and to each Customer required to make such deposit for the time it is held by Company, pursuant to South Carolina Public Service Commission Reg. 103-623.
- D. The interest shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned. The deposit shall cease to draw interest on the date it is returned, the date service is terminated, or on the date notice is sent to the customer's last known address that the deposit is no longer required.

3.18.3 – Services for Which Non-Payment May or May Not Result in Discontinuance 3.18.3 (A) – Original Page 35

The Company will add definitions for the terms "competitive tariffed services" and "noncompetitive tariffed services" as requested and will correct references to the "Public Service Commission of South Carolina."

Docket No. 2006-303-C Order No. 2007-42 January 19, 2007

3.19.1 – Disconnection or Suspension of Service With Notice 3.19.1 (I) – Original Page No. 37

The language shall be modified as follows

For use of foul or profane language over the Service as set forth in S.C. Code Section 16-17-430;

3.19.3 - Duration of Suspension - Original Page No. 39

The language shall be modified as follows:

The Company may continue Suspension of Service until all charges due have been paid and all violations have ceased. The maximum period of suspension before disconnection is seventy-two (72) hours. During the period of such Suspension all monthly recurring charges apply. Should the Customer fail to comply with the Company's instructions during the Suspension period, Service will be Discontinued and the Customer must pay the Denied Service Restoral Charge of this Tariff in addition to all applicable monthly Service charges before Service will be restored. If service is disconnected and not restored after a suspension, the date of disconnection is considered to be the date service was suspended for purposes of determining the amount due on the final bill.

3.23 - Taxes - Original Page No. 42

The language shall be modified as follows:

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal tax) and regulatory charges such as the End User Subscriber Line Charge are listed as separate line items and are not included in the quoted rates.

3.24 - Disputed Bills

3.24.2 - Original Page No. 43

The Company replace "Commission" with the "Office of Regulatory Staff "or "ORS".

Order Exhibit 2
Oocket No. 2006-303-C
Order No. 2007-42
January 19, 2007

Page 3 of 4

Page No. 44

The Company will revise the 3.24.2 (E) to state the proper agency and department to file unresolved disputes:

The address and telephone number of the ORS for the filing of unresolved dispute is:

South Carolina Office of Regulatory Staff Consumer Services Division P.O. Box 11263 Columbia, SC 29211 Telephone Number: (803) 737-5230

Toll Free: 1-800-922-1531 Fax Number: (803) 737-4750

3.34 - Promotional Offerings - Original Page No. 54

PNG will revise the last sentence of this subsection as follows:

The Company will submit its Promotions by letter to the Commission Staff and the ORS outlining the promotion, listing the tariffed item being promoted, and the promotion's start and end dates in lieu of filing language in the tariff.

4.1.2 (A) Residential Basic Local Exchange Services – Original Page No. 57 4.1.2 (A) (1),(2),& (3)

The Company will revise the first sentence in each of these sections to clarify that the plans provide customers with unlimited local calls and thirty minutes (or 120 minutes) of unlimited intraLATA, interLATA and interLATA interstate long distance calling.

4.1.3 – Directory Listings - General 4.1.3 (B) – Length of Directory White Page Listing – Original Page No. 58

PNG will add the following sentence to 4.1.3:

Directory listings are provided pursuant to Commission reg. 103-631. PNG has requested that it be allowed to make arrangement with the incumbent local exchange carrier to publish PNG's customers information in the incumbent's directory. PNG is aware that the ILECs have already established the font size and listing requirements for their directories.

Order Exhibit 2

Page 4 of 4

Oocket No. 2006-303-C Order No. 2007-42 anuary 19, 2007

4.1.11 (ע) (ב) – Installation, Moves, and Other Charges – Original Page 80

PNG will delete the "missed appointment charge" since it is a deregulated item.

Maximum Prices and Price List

PNG will include its current prices in Section 4 and add maximum prices in Section 6 of its final tariff.